

## **FEDERAL RESERVE SYSTEM**

### **Agency Information Collection Activities: Proposed Collection; Comment Request**

**AGENCY:** Board of Governors of the Federal Reserve System

#### **SUMMARY: Background**

On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act, as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the OMB 83-Is and supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

#### **Request for comment on information collection proposals**

The following information collections, which are being handled under this delegated authority, have received initial Board approval and are hereby published for comment. At the end of the comment period, the proposed information collections, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

a. whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;

b. the accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

c. ways to enhance the quality, utility, and clarity of the information to be collected; and

d. ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

**DATES:** Comments must be submitted on or before September 26, 2005.

**ADDRESSES:** You may submit comments, identified by FR 2248, FR 3033, FR 2030, FR 2056, FR 2086, FR 2087, FR 2083, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include docket number in the subject line of the message.
- FAX: 202/452-3819 or 202/452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at [www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm](http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm) as submitted, unless modified as necessary for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board's Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

**FOR FURTHER INFORMATION CONTACT:** A copy of the proposed form and instructions, the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested from the agency clearance officer, whose name appears below.

Michelle Long, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact (202-263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

**Proposal to approve under OMB delegated authority the extension for three years,**

**with revision of the following reports:**

1. *Report title:* Domestic Finance Company Report of Consolidated Assets and Liabilities

*Agency form number:* FR 2248

*OMB control number:* 7100-0005

*Frequency:* Monthly, Quarterly, and Semi-annually

*Reporters:* Domestic finance companies and mortgage companies

*Annual reporting hours:* 352 hours

*Estimated average hours per response:* Monthly, 18 minutes; Quarterly, 25 minutes; Semi-annually, 10 minutes

*Number of respondents:* 80

*General description of report:* This information collection is voluntary (12 U.S.C. § 225(a)). Individual respondent data are confidential under section (b)(4) of the Freedom of Information Act (5 U.S.C. §552).

*Abstract:* The monthly FR 2248 report collects balance sheet data on major categories of consumer and business credit receivables, major short-term liabilities, and securitized assets. For quarter-end months (March, June, September, and December), additional asset and liability items are collected to provide a full balance sheet. If the need arises, a special addendum may be used, no more than semi-annually, for timely information on questions of immediate concern to the Federal Reserve.

The data are used to construct universe estimates of finance company holdings, which are published in the monthly statistical releases Finance Companies (G.20) and Consumer Credit (G.19), in the quarterly statistical release Flow of Funds Accounts of the United States (Z.1), and in the *Federal Reserve Bulletin* (Tables 1.51, 1.52, and 1.55).

*Current Actions:* The Federal Reserve proposes to change the respondent panel definition to include mortgage companies. In addition, the Federal Reserve proposes to instruct finance companies to include the assets and liabilities of their mortgage company subsidiaries. In addition, the Federal Reserve is concurrently proposing similar revisions on the FR 3033.

The inclusion of mortgage companies would improve estimates of financial flows, particularly household mortgage debt growth, as measured by the Federal Reserve Board's Flow of Funds accounts. Since Housing and Urban Development discontinued its Survey of Mortgage Lending Activity in the late 1990s, the Federal Reserve has been without a regular data source on the activities of mortgage companies. During this time, these firms may have accumulated inventories of loans that the estimates are not measuring. Also, as the front end of the mortgage "pipeline," mortgage companies may at times temporarily hold significant balances of mortgages awaiting securitization or sale. Thus, expanding the scope of the FR 2248 to include mortgage companies would improve the estimate of the overall stock of mortgage debt, and also mitigate likely measurement error in the quarterly flow measures of household debt growth from our failure to observe transitory mortgage holdings of these firms.

*2. Report title:* Quinquennial Finance Company Questionnaire and Survey

*Agency form number:* FR 3033

*OMB control number:* 7100-0277

*Frequency:* One-time

*Reporters:* Domestic finance companies and mortgage companies

*Annual reporting hours:* Questionnaire, 1,000; Survey, 315 hours

*Estimated average hours per response:* Questionnaire, 0.25 hours; Survey, 0.42 hours

*Number of respondents:* Questionnaire, 4,000; Survey, 750. Small businesses are affected

*General description of report:* This information collection is voluntary (12 U.S.C. §§225a, 263, and 353-359). Individual respondent data are confidential under section (b)(4) of the Freedom of Information Act (5 U.S.C. §552).

*Abstract:* Since June 1955, the Federal Reserve System has surveyed the assets and liabilities of finance companies at five-year intervals. The first stage is a questionnaire (FR 3033p), which is sent to all domestic finance companies. The questionnaire asks for information on each company's total net assets, areas of specialization, and other characteristics. From the universe of FR 3033p questionnaire respondents, the Federal Reserve would draw a stratified random sample of finance companies for the second stage, the survey itself (FR 3033s). The survey would request detailed information, as of December 31, 2005, from both sides of the respondents' balance sheets.

*Current Actions:* The Federal Reserve proposes two major revisions: (1) to change the respondent panel definition to include mortgage companies and (2) to instruct finance companies to include the assets and liabilities of their mortgage company subsidiaries. In addition, the Federal Reserve is concurrently proposing similar revisions on the FR 2248.

The inclusion of mortgage companies would improve estimates of financial flows, particularly household mortgage debt growth, as measured by the Federal Reserve Board's Flow of Funds accounts. Since Housing and Urban Development discontinued its Survey of Mortgage Lending Activity in the late 1990s, the Federal Reserve has been without a regular data source on the activities of mortgage companies. During this time, these firms may have accumulated inventories of loans that the estimates are not measuring. Also, as the front end of the mortgage "pipeline," mortgage companies may at times temporarily hold significant balances of mortgages awaiting securitization or

sale. Thus, expanding the scope of the FR 3033 to include mortgage companies would improve the estimate of the overall stock of mortgage debt, and also mitigate likely measurement error in the quarterly flow measures of household debt growth from our failure to observe transitory mortgage holdings of these firms.

*3. Report title:* Application for Membership in the Federal Reserve System

*Agency form number:* FR 2083, 2083A, 2083B, and 2083C

*OMB control number:* 7100-0046

*Frequency:* On occasion

*Reporters:* Newly organized banks that seek to become state member banks, or existing banks or savings institutions that seek to convert to state member bank status

*Annual reporting hours:* 320 hours

*Estimated average hours per response:* 4 hours

*Number of respondents:* 80

*General description of report:* This information collection is authorized by Section 9 of the Federal Reserve Act (12 U.S.C. §§321, 322, and 333) and is required to obtain or retain a benefit. Most individual respondent data are not considered confidential.

Applicants may, however, request that parts of their membership applications be kept confidential, but in such cases the applicant must justify its request by demonstrating that disclosure would cause "substantial competitive harm" or result in "an unwarranted invasion of personal privacy." Because the confidentiality status of the information submitted will be judged on a case-by-case basis, the forms themselves raise no issues under the Freedom of Information Act, (5 U.S.C. §552).

*Abstract:* The application for membership is a required one-time submission that collects the information necessary for the Federal Reserve to evaluate the statutory criteria for admission of a new or existing state bank into membership in the Federal Reserve System. This application provides managerial, financial, and structural data.

*Current actions:* Section I of the FR 2083 form would be modified to reflect the Federal Reserve's fingerprint requirement, which differs from that of the other banking agencies. Section II would be modified to clarify certain information that needs to be submitted with a membership proposal. Information about recent or contemplated changes in the management, ownership, or the business plan of an existing bank must be known before action can be taken on a related membership application. The proposed new questions in Section II about new principal ownership, anticipated changes in management of applicant (or applicant's parent company), and management plans for the bank do not represent new information requirements, but rather information that has always been gathered as part of the overall review of a membership proposal.

The FR 2083A and 2083B would be modified so that they request the same capital and surplus data (as of the bank's most recent Consolidated Reports of Condition and Income (Report of Condition) (FFIEC 031 and 041; OMB No. 7100-0036) or a contemplated merger or consolidation date) as requested in the Application for Federal Reserve Bank Stock (FR 2030; OMB No. 7100-0042). The FR 2083B also would be modified to eliminate a reference to the most recent examination of the applying bank by the Reserve Bank; it would now refer only to the most recent Report of Condition for deposit information. The FR 2083C would be modified to include more signature lines as the current four lines are often not sufficient.



Three sections of the General Information and Instructions of the FR 2083 would be modified to recognize new sources of available information, provide other practical advice to an applicant, and ensure further consistency with other applications. The Preparation of Application section has been modified to reflect that the Federal Reserve's public website now contains substantial filing information, including relevant regulations, which an applicant may find helpful when preparing a membership filing. As in other application filing instructions, the applicant is encouraged to consult with the appropriate Reserve Bank about the informational needs of a specific membership proposal. The section also recognizes a new requirement adopted by the Federal Reserve in May 2003 that an individual associated with a banking proposal may need to submit fingerprint cards as part of the name check process. Also, to ensure proper handling of a filing, applicants are encouraged to clearly identify when expedited processing is being sought. All of the proposed revisions to the Confidentiality and Compliance sections are to ensure consistency with the bank holding company application and notifications forms. (The Application for Prior Approval to Become a Bank Holding Company or for a Bank Holding Company to Acquire an Additional Bank or Bank Holding Company (FR Y-3), the Notification for Prior Approval to Become a Bank Holding Company or for a Bank Holding Company to Acquire an Additional Bank or Bank Holding Company (FR Y-3N), and the Notification for Prior Approval to Engage Directly or Indirectly in Certain Nonbanking Activities (FR Y-4) (OMB No. 7100-0121).

4. *Report title:* Applications for Subscription to, Adjustment in the Holding of, and Cancellation of Federal Reserve Bank Stock

*Agency form number:* FR 2030, FR 2030a, FR 2056, FR 2086, FR 2086a, FR 2087

*OMB control number:* 7100-0042

*Frequency:* On occasion

*Reporters:* National, State Member, and Nonmember banks

*Annual reporting hours:* FR 2030: 27 hours; FR 2030a: 13 hours; FR 2056: 775 hours;  
FR 2086: 4 hours; FR 2086a: 19 hours FR 2087: 2 hours

*Estimated average hours per response:* .5 hours

*Number of respondents:* FR 2030: 54; FR 2030a: 25; FR 2056: 1,550; FR 2086: 7;  
FR 2086a: 37 FR 2087: 4

*General description of report:* These information collections are required to obtain or retain a benefit.

- FR 2030 and FR 2030a: (12 U.S.C. §§ 222, 282, 248(a) and 321)
- FR 2056: (12 U.S.C. §§ 287, 248(a) and (i))
- FR 2086: (12 U.S.C. §§ 287, 248(a) and (i))
- FR 2086a: (12 U.S.C. §§ 321, 287, 248(a))
- FR 2087: (12 U.S.C. §§ 288, 248 (a) and (i))

Most individual respondent data are not considered confidential. Applicants may, however, request that parts of their membership applications be kept confidential, but in such cases the applicant must justify its request by demonstrating that disclosure would cause "substantial competitive harm" or result in "an unwarranted invasion of personal privacy." Because the confidentiality status of the information submitted will be judged on a case-by-case basis, the forms themselves raise no issues under the Freedom of Information Act, (5 U.S.C. §552).

*Abstract:* These application forms are required by the Federal Reserve Act and Regulation I. These forms must be used by a new or existing member bank (including a national bank) to request the issuance, and adjustment in, or cancellation of Federal Reserve Bank stock. The forms must contain certain certifications by the applicants, as well as certain other financial and shareholder data that is needed by the Federal Reserve to process the request.

*Current actions:* No changes are contemplated to four of the six application forms (the FR 2030, 2030a, 2086, and 2087). The changes proposed for the other two forms (the 2056, and 2086a) are generally technical in nature. The FR 2056 and its attachment would be modified to allow for their usage by a mutual savings bank (which currently has no adjustment form) and to ensure that the correct capital and surplus data is provided when the requested adjustment relates to a proposed merger or consolidation. The modifications would allow this form to be used by a member bank that survives the merger or consolidation of two member banks, an adjustment not clearly addressed by the current stock forms. The FR 2086a also would be slightly modified to reflect that it could be used by a member bank that is eliminated during the merger or consolidation of two member banks for the cancellation of its Federal Reserve Bank stock.

Board of Governors of the Federal Reserve System, July 20, 2005.

(signed)  
**Jennifer J. Johnson,**  
Secretary of the Board.